

BILL ANALYSIS

Analyst: Deborah Barrett
Work Phone: 845-4301

Department, Board, Or Commission	Author	Bill Number
Franchise Tax Board	Caballero	AB 2202

SUBJECT

State Agencies Provide Information To PERS Administration Board Regarding Employees Who Are Not Members Of PERS

SUMMARY

This bill would require a state agency, upon request, to provide information to the Public Employees Retirement System (PERS) on employees who are not members of the system.

PURPOSE OF BILL

According to the author's staff, the purpose of this bill is to assist PERS to identify members who should be brought into membership and help determine eligibility criteria sooner, thereby reducing the number of arrears calculations.

EFFECTIVE/OPERATIVE DATE

This bill would be effective January 1, 2009, and operative as of that date.

ANALYSIS

STATE LAW

With express exceptions, a person who enters into employment with the State becomes a member of PERS. In addition to other classifications, part-time, seasonal or temporary employees are ineligible for automatic membership in PERS unless certain requirements are met. Those requirements include, but are not limited to the following:

- The individual is already a member.
- The individual position requires regular, part time service for one year or longer with an equivalent of at least an average of 20 hours a week.

PERS determines that employment is on a seasonal, limited-term, on-call, emergency, substitute, or other irregular basis that is compensated and meets one of several specified conditions. Other exceptions from automatic PERS membership include but are not limited to inmates, independent contractors, student assistants employed in state colleges, employees whose wages are paid through federal funds, and members of a teachers retirement system.

The Franchise Tax Board (FTB) provides a monthly report that includes a retirement code indicator on every employee to the State Controller's Office. The State Controller's Office provides required retirement membership data to PERS.

Brian Putler, FTB Contact Person (916) 845-6333 (Office)	Executive Officer Selvi Stanislaus	Date 7/11/08
---	---------------------------------------	-----------------

THIS BILL

This bill would require a state agency, upon request, to provide PERS with information relating to employees not enrolled in the system for purposes of assisting PERS to carry out the administration of the system. The agency would be required to provide this information in the same manner as the agency provides similar information for members of the system. Any information provided to PERS would be required to be treated as confidential by PERS and may not be divulged by a PERS employee to anyone other than the individual or his or her authorized representative.

FISCAL IMPACT

Implementing the provisions of this bill would not significantly impact the department's cost because FTB already provides the Controller the information this bill would require.

ECONOMIC IMPACT

This bill would not impact state income tax revenues.

APPOINTMENTS

None.

Support/Opposition

Support: Service Employees International Union, Local 1000 (SEIU)
California School Employees Association (CSEA)
Glendale City Employees Association (GCEA)
Organization of SMUD Employees (OSE)
San Bernardino Public Employees Association (SBPEA)
San Luis Obispo County Employees Association (SLOCEA)
Santa Rosa City Employees Association (SRCEA)
California Federation of Teachers (CFT)
California Professional Firefighters (CPF)

Opposition: None on File

VOTES

Assembly Floor – Ayes: 74, Noes: 1

Senate Floor – Ayes: 32, Noes: 2

LEGISLATIVE STAFF CONTACT

Deborah Barrett
Franchise Tax Board
(916) 845-4301
deborah.barrett@ftb.ca.gov

Brian Putler
Franchise Tax Board
(916) 845-6333
brian.putler@ftb.ca.gov

Greg Hurner
Deputy Secretary Legislation
State and Consumer Services Agency
(916) 653-3111 Office
(916) 201-5962 Mobile
(916) 359-7132 Home
greg.hurner@scsa.ca.gov